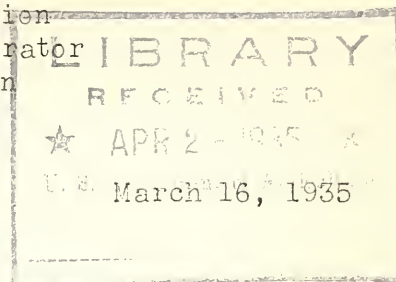


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UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Adjustment Administration  
Alfred D. Stedman, Assistant Administrator  
Director, Division of Information  
Washington, D. C.



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To Editors of Farm Journals:

The following information is for your use.

*DeWitt C. Wing and Francis A. Flood*

DeWitt C. Wing and Francis A. Flood,  
Specialists in Information.

A PROPOSED BUTTER MARKETING AGREEMENT FOR 11 STATES

By A. H. Lauterbach, Chief, Dairy Section,  
Agricultural Adjustment Administration.

(Written Expressly for this Service.)

Attempts to unite large elements of the Pacific Slope and Mountain States in a program of combining a definite cream-grading system at factories with grade labeling of butter sold at retail, including minimum price differentials in payment for graded cream and package butter according to its score and grade, are included in a proposed marketing agreement slated for hearing during the first week in April at seven primary market centers in that region. The marketing agreement is submitted by the Secretary of Agriculture under the Agricultural Adjustment Act, at the request of agencies in the area, and following a series of conferences with producers and creamerymen.

This area, which is largely an economic unit by itself in dairying, includes eleven States, namely, Washington, Oregon, California, Idaho, Nevada, Colorado, Wyoming, Montana, Arizona, New Mexico and Utah. In 1933 this area produced more than 225,000,000 pounds of butter.

From 70 to 75 percent of all butter travels in interstate commerce before it is consumed, so that the proposed agreement instituted by the Federal authorities and supported by proposed Federal grades, and using both State and Federal butter graders in its enforcement, would be clearly within the scope of the Act.

No established or fixed prices for butterfat or butter are proposed in the agreement, nor are there any attempts to limit production or interfere with existing market channels. The principal idea is to adopt underlying motives of the existing Oregon plan for cream-grading and butter labeling, so that producers will have an incentive to deliver high-quality cream to a greater extent for the reason that such cream will correspond to known and easily understood consumer grades of package butter, subject to enforcement at the retail counter.



It is a proposal which is expected to encounter some opposition, particularly in relation to grades and scores of butter moving interstate, owing to differences of opinion on that subject. However, the hearings will determine the attitude of the industry to the proposed agreement and its terms are subject to modification subsequent to the hearings. It is a proposal originating largely in the Northwest region but it was prepared for submission to the industry in the Dairy Section of the AAA. Only two other marketing agreements for the manufactured milk branch of the industry have thus far been made effective, one for evaporated milk and one for dry skim milk, both thus far without licenses.

The present tentative agreement for the West Coast area contains the privilege to request a license, if the industry desires. Producers would not be licensed. Only processors, handlers and distributors would be affected by any license, although this might include some cooperative creamery associations.

The usual provisions are used in the proposed agreement relating to administration, through district committees and a central control committee, subject to supervision by the Secretary of Agriculture. Provision is made for recognized price quotations on wholesale bulk butter according to grades on large primary official quotation markets, as well as on the local or regional price-determining markets. No interference with the competitive forces is contemplated in relation to prices on wholesale butter. However, in connection with package butter, parchment and wet wrapped, a definite differential per pound is suggested above the respective grades of bulk wholesale butter, and a larger differential in lots of less than 30 cases or where ice service is included with the sale.

Grades for package butter proposed in the agreement are parallel with similar cream grades adjusted to produce that quality of butter. The proposed butter grades begin at Grade AA, which is optional, for 93 score butter; Grade A, not less than 92 score, or extras; Grade B, not less than 90 score or standards; and Grade C, which may be made from sour cream, 88 to 89 score, or seconds. All retail packages of butter would be plainly labeled by its proper grade, subject to inspection either by State or Federal graders or in case of violations, by a licensed State-Federal grader.

Four grades of cream are set up as the basis of producer payments.

The prices for cream as usual would be open to free competition, but there would be recognized minimum prices for each grade of cream which would allow reasonable margins for overrun and factory costs. For instance, on the optional Grade AA cream to make not less than 93 score butter, the proposed minimum would be the quoted bulk butter price for 93 score butter, at the respective price-determining market, less 4-1/2 cents per pound for normal operating costs, and then the result would be multiplied by an overrun factor. The same method would follow on other grades. It specifies that in any case butter-fat suitable for Grade AA class would be at least one-half cent per pound higher than Grade A cream.

The usual provisions for appeals from decisions made by the control committee and the conditions for termination of the agreement or its amendment, are included.





The program contemplates democratic control by the industry itself to bring about quality appreciation and patronage on the part of consumers, and a better chance to reflect such advantages to the farmers who produce the cream. Hitherto experience has often shown that only in special cases where producers were highly organized has it been possible to coordinate consumer quality demand and consumer price premiums with a corresponding improvement in the raw material with resulting benefit in the income to farmers who delivered good cream.

It is possible that some debate will follow in regard to the effect of this general quality improvement program on groups of producers who have already engaged in specialized butter improvement campaigns. For it will bring out again the question of competition between producers themselves. The sponsors of the proposed agreement in the West Coast area are hoping that the hearings will develop constructive suggestions which will hasten the final completion of the program on sound lines.

# # #

#### BUTTER QUALITY IMPROVEMENT STRESSED

Improvement in the quality of butter is stressed in the proposed marketing agreement outlined in the foregoing article by Mr. Lauterbach. Hearings on this agreement will be at Missoula, Montana, March 25; at Seattle, Washington, March 27; at Portland, Oregon, March 29; at San Francisco, April 1; at Los Angeles, April 4; at Salt Lake City, April 8, and at Denver, April 11.

The proposed agreement does not attempt to fix the price of butter or control its production. Designed as a voluntary agreement on the part of the industry, it will not interfere with existing channels of trade or prevent prices from responding to supply and demand conditions. If accepted by the industry and made effective, it would be the third agreement instituted by the Agricultural Adjustment Administration in support of manufactured dairy products. The other two are for evaporated milk and dry skim milk.

The objectives sought in the tentative agreement submitted for hearings are:

1. To establish voluntarily a practical method for general improvement in the quality of butter, so as to sustain or increase butter consumption.
2. To enable the consumer to select butter in retail stores on known and easily understood grades, plainly labeled and supported by inspection regulations.
3. To establish cream grades and to reward producers who supply high grade cream. This is intended to discourage production of low grade cream and, through burdening the market with low quality supplies, to prevent butterfat price manipulation. This objective is sought by the use of uniform cream grades for producers, bearing a definite relation to the quality of butter offered for sale and produced from such cream. Minimum price differentials are proposed between various grades of cream and the corresponding grades of butter, based on market quotations, without resorting to fixed prices.





4. To provide that the price paid to cream producers will be maintained on a basis in proportion to the level of butter prices.

The proposed agreement is based on evidence that the rate of butter consumption is governed by prices, total payrolls and the quality of the butter distributed.

As neither fixed prices nor control of payrolls are considered possible lines of effort, the improvement of quality through cream-grading on a premium basis and consumer purchases of butter on known grades is believed to afford the most promising field of approach toward maintaining the consumption of butter, and thereby sustaining the price through stronger demand.

"Contracting processors" eligible to sign the proposed agreement with the Secretary of Agriculture include any person, firm or association in the region who processes, handles, ships, markets or distributes butter, in the current of or in competition with, or so as to obstruct, burden or affect interstate or foreign commerce. They would include producers and associations of producers engaged in processing or distribution of butter. From 70 to 75 percent of all butter moves in interstate commerce before being consumed.

The West Coast area, as defined in the proposed agreement, is an economic unit, when considered from the standpoint of butter production and consumption. For administrative purposes, the proposed agreement area is divided into seven districts, which may be further subdivided into zones.

Exact terms of assessment to pay expenses are not definitely included, although processors signing the agreement would contribute to the expense, as well as have voting power, on a volume basis. Each contracting processor would have one vote for each 10,000 pounds of butter manufactured and the same for butter distributed as package butter. A district committee of not more than seven members in each of the seven districts would designate price-determining markets or market zones, make recommendations to the industry, and choose the members of the control committee.

The control committee would consist of 9 members, 1 each from 6 districts and three from the largest district, California, with 1 vote apiece. The proposed agreement provides that the control committee might not function if more than two of its membership were not appointed. Orders and regulations issued by the Committee would be subject to approval by the Secretary of Agriculture.

Besides acting as an intermediary between the Administration and the industry, the control committee would have power to name the necessary officers, employes and sub-committees, to determine price differentials for butterfat between the different zones and to determine price differentials for grades of butter between officially quoted markets and local price-determining markets in the region. It would also investigate suspected violations and dispose of complaints, and would have power to commence legal proceedings to collect funds due the industry under the agreement. The usual books and records clause would be used to aid the Secretary of Agriculture and the committee in carrying out the agreement.

Purchasers of butterfat under the terms of the proposed agreement are



required to buy and pay for cream on a strictly graded basis. Four grades of cream are used for basis of payment to producers, as stated in Mr. Lauterbach's article in this Service this week. The formula for determining the minimum butterfat price for such graded cream is based upon the bulk butter price for its own corresponding butter grade, with allowances for normal average over-run and a differential for factory costs.

Butter manufacturers and distributors would dispose of butter on a graded and labeled basis. Provisions governing the sales of butter to consumers would not apply to any sales made to recognized public or private relief agencies.

Four grades of butter recognized for the West Coast markets are provided in the agreement. These correspond to the cream grades, as Mr. Lauterbach's article states.

Prices on wholesale butter are left free and open to competition, although provision for proper quotations according to grade are used. Established differential minimums are placed on sales of wet, parchment wrapped, or carton butter, over and above the prevailing wholesale prices on bulk butter of the respective grades, as currently quoted in the price-determining markets. Wet or parchment wrapped butter in retail packages in case-lots of 30 pounds or more, would not be sold under the agreement for less than 2 cents a pound above the wholesale bulk butter price according to grade. On cartons, one-half cent more margin is allowed, and on smaller than case lots or with ice-box service included, another one-half cent is allowed above the bulk wholesale price.

The proposed agreement also carries a schedule of unfair trade practices which would be prohibited. These relate to procurement of butterfat and resale of butter to consumers.

Contracting processors agree to apply for and consent to a license by the Secretary of Agriculture. Provision for appeals from decisions of the control committee to the Secretary are included.

If 25 percent of the signatories to the agreement file a request for a hearing on any proposed amendment, it would be granted, according to the tentative agreement. In any event amendments may not be approved by the Secretary without consent of those representing 60 percent of the combined volume of both butter manufactured and butter distributed.

Termination of the agreement is provided in case the Agricultural Adjustment Act terminates, or by request from 60 percent of the contracting processors handling not less than 60 percent of both butter manufactured and butter distributed, and also upon motion of the Secretary with one day's notice through press release or otherwise.

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#### ADMINISTRATOR DAVIS COMMENTS ON MISSTATEMENTS

Chester C. Davis, Administrator of the Agricultural Adjustment Act, in a letter written on March 9, 1935, to James Truslow Adams in New York, says:

"A New York newspaper on March 7 contained an interview with you saying



your criticisms of government prodigality were best illustrated by three stories which had come first-hand to your ears. Assuming that you were quoted correctly, your statement was as follows:

"I know of a man in the South who had an estate on which he had never grown or tried to grow any cotton. This last year the A.A.A. sent him a check for \$1,500 for the cotton he did not grow. When he protested that he was not a cotton grower they insisted that he keep the money because he was down on their books as a landowner in a cotton-growing state. It would confuse the books to fix it otherwise, the A.A.A. said. He kept the money.'

"You do not know of any such person as you describe. No such person exists. No cotton benefit checks for \$1,500 or for any other sum whatever have been sent to any persons as owners or operators of land on which cotton has never been grown.

"The New York newspaper article quotes your next 'first-hand' story as follows:

"I know of another instance of a New Yorker with an estate on Long Island, covering about five acres. He had a letter from the A.A.A. asking how many bushels of potatoes he could raise per acre. He wrote back that his estate was not a potato patch, that it was composed of lawns and trees and gardens. That made no difference, the government agency replied, it was in a potato district and the A.A.A. proposed to pay 80 cents a bushel for every bushel of potatoes he did not raise. My friend sent them a scorching letter and has not had any money forced upon him yet by the government.'

"The Long Island potato grower you describe is just as much of a fiction as the cotton land owner you describe.

"The Agricultural Adjustment Administration never has had a production adjustment program for potatoes. This Administration has never paid and never has offered to pay any person a single dollar for growing or for not growing potatoes.

"You end your series of 'first-hand' stories as follows:

"The same type of thing happened to a friend of mine who has a place up in Connecticut, only, without warning, he got a check for \$1,200 for not raising tobacco when he never had thought of raising a pound of it.'

"Your friend up in Connecticut, if he has received this money, must have been defrauding the Government. According to the terms of the tobacco adjustment contract, benefit payments can be made only to bonafide growers of tobacco. Of course your Connecticut friend does not exist in fact any more than the Southern land owner or the Long Island potato grower you told about.





"Under the Agricultural Adjustment Administration system of handling contracts, no person ever can receive a check without warning, or without first signing a contract to adjust his production.

"You are quoted further as saying:

"When money is sluiced out like that to people who are not even trying to get it, it just makes me wonder about the way it is going to people who are out after it. Another rather sinister thing is reported to me from Texas. I am told that 8,000 farmfamilies have moved into towns and are living very comfortably on their government money and do not intend ever to go back on the farms again. I tell you, it is going to be a nasty situation when the money is no longer there to be handed out."

"We do not know what you may have learned, during your year in England or your days on the steamer Berengaria, about conditions in Texas. But we do know that population studies by the Department of Agriculture show an increase in the farm population of Texas, Arkansas, Oklahoma and Louisiana of 440,000 from 1930 to 1934.

"When you pass out 100 percent untruths such as the three already cited, it just makes me wonder whether you are to be taken seriously in any observations about the New Deal or about anything in the present or past."

# # #

#### BEGIN PAYMENTS OF FINAL 1934 CORN-HOG BENEFITS

Disbursement of the third and final installment of benefit payments due under the 1934 corn-hog contracts began this week with the distribution of 11,957 checks to farmers who participated in the 1934 production control program, Claude R. Wickard, chief of the corn-hog section, has announced. A total of \$905,810.22 was disbursed in this first block of checks sent out.

The balance of the final payment of approximately \$80,000,000, representing the last two-fifths of the total hog adjustment payment, will be distributed as rapidly as possible, Mr. Wickard said. He pointed out, however, that before final payment can be made to a producer, his pro rata share of the local administrative expenses pertaining to the hog part of the contract must be deducted. "Therefore, the speed with which checks can be sent to a county will depend upon the receipt of the certification of total administrative expenses from the county control association. Benefit payment checks cannot be issued until these expense certifications are received and audited."

Along with the announcement of the third-pay checks to participants in the 1934 program, Mr. Wickard reports that more than 750,000 farmers have applied for 1935 corn-hog contracts. Iowa is leading in the sign-up campaign with approximately 127,500 applicants. Illinois is next with 80,000, and Missouri and Nebraska follow, each reporting about 75,000 signers. Indiana, Minnesota and Kansas report nearly 55,000 each; South Dakota, approximately 42,000; Texas and Oklahoma, about 32,000 each; Kentucky, 22,500 and Tennessee, 15,500. Texas is





the first state to report a sign-up equal to the total number of contracts signed in 1934.

Of the score of states reporting this week, Nebraska is leading in the total number of new signers, Mr. Wickard says. Nearly 7,000 of the applicants in that state did not take part in the 1934 corn-hog program. Missouri, Oklahoma and Texas each report 3,000 new signers; Illinois, about 2,500; Kentucky, 2,000, and Indiana and Tennessee, 1,500 each.

# # #

#### DEFICIENCY PAYMENTS ON 1935 SUGAR BEET CROP

Deficiency payments which the Agricultural Adjustment Administration sugar beet production-adjustment contract provides may be made to cooperating sugar beet producers in 1935 because of necessary acreage abandonment, will be made only in cases where bona fide abandonment takes place after a crop has been planted and cultivated in the usual manner, the Sugar Section of the Agricultural Adjustment Administration has announced. Abandonment will be considered "bona fide" only when the acreage abandoned has been planted under conditions from which a normal crop could be expected, and when all usual cultural operations have been performed up to the time of abandonment, and when the causes making the abandonment necessary have developed after the crop is planted.

The sugar beet production-adjustment contract provides that if a producer must abandon acreage because of natural causes beyond his control, and if such condition is general in the community, he may receive deficiency payments of \$1 a ton on the estimated production of the acreage abandoned, within certain specified limits.

Under the contract, the deficiency payment of \$1 a ton on the estimated yield of the farm may be paid if the total crop has been destroyed, or on the estimated yield on that portion of the acreage which has been abandoned. However, payments will not be made on any greater tonnage than the difference between the actual and estimated tonnage when any beets are harvested and sold to a processor. All such deficiency payments must be on land which has been contracted for by a beet-sugar processor, and the payments will be made only after proof of compliance

"While this provision is intended to serve as partial crop-income insurance for growers who plant a crop with the full expectation of harvesting it, it does not mean that mere planting of acreage in areas where a crop failure is certain will make producers eligible for deficiency payments," John E. Dalton, chief of the Sugar Section, explained. "There are two important reasons why compliance cannot be certified when acreage is planted where crop failure is certain. First, such plantings, if made only with the intention of securing the deficiency payment, would be in violation of the spirit of the contract. Secondly, it is the aim of the sugar program to give to the sugar-beet industry every opportunity to plant the acreage which with average yields, will give a national production of sugar equal to the 1935 national beet-sugar marketing quota of 1,550,000 short tons. If it appears that in certain areas it would be useless to plant certain acreages, the beet industry as a whole will benefit by the reallothing of this acreage for 1935 to areas of more certain production. Such action would have no effect on the producer's allotment for 1936."



Sugar Section officials stated that bona fide abandonment of acreage will be certified only when it is shown, among other things, that:

1. The spirit of the contract has been fulfilled and that plantings were made in the same manner and with the same intent as if no benefit or deficiency payments were to be made.
2. The crop was planted under conditions which could reasonably be expected to insure that a normal crop could be brought to maturity.
3. After planting, unforeseen conditions developed not within the control of the producer, which destroyed the crop on all or part of the acreage planted, and that such conditions affect the whole or a substantial part of the factory district.
4. All cultural practices, cultivation, and all other work required in the production of beets must be performed in the usual manner up to the time when the condition developed which so adversely affected the crop as to require abandonment.

# # #

#### TWO-STATE TOMATO AGREEMENT TENTATIVELY APPROVED

A marketing agreement for tomatoes grown in East Texas and Mississippi has been tentatively approved by the Secretary of Agriculture, the Agricultural Adjustment Administration has announced. The agreement is now being submitted to shippers for their signatures.

The agreement is intended to improve returns to growers by requiring all shipments to be graded according to the United States standards, and to be inspected and certified by the Federal-State Inspection Service. The agreement also provides for the withholding of inferior grades and sizes whenever such action is necessary to improve returns to growers. Any grower whose crop consists largely of the prohibited grades and sizes may, upon application, be allowed certain exemptions from such requirements. If grade and size limitations prove insufficient at any time a shipping holiday may also be required. Under this provision all shipments may be withheld for a period not exceeding 48 hours and 5 days must elapse before another holiday can be ordered. All foreign shipments are exempted from any size regulation.

The agreement is to be administered by a control committee of 18 members, 9 from each state, with Mississippi having 4 members elected by the shippers of that state, 4 members elected by the growers of the state, and 1 member selected by the original 8. Texas would have four members elected by the shippers, and 4 grower members, 1 from each of the Yoakum, Livingston, Jacksonville and Red River Districts, elected by the growers of each district, and 1 member selected by the original 8. The members of the Control Committee from each state would comprise the State Committees and in addition each of the four districts in Texas would have a district committee composed of four producers and three shippers, selected by an election of shippers and growers in the district.



Regulation of shipments will be decided by the respective district committees of Texas during the time these districts are shipping tomatoes and by the joint action of the Mississippi State Committee and the Texas District Committees when both states are shipping tomatoes.

# # #

#### GROWERS' BENEFIT SOUGHT UNDER RIO GRANDE TOMATO AGREEMENT

A marketing agreement for tomatoes grown in the Lower Rio Grande Valley district of Texas has been tentatively approved by Secretary of Agriculture Henry A. Wallace, it is announced by the Agricultural Adjustment Administration.

The tentatively approved agreement is intended to improve returns to growers by requiring all shipments to be graded according to the United States standards, and to be inspected and certified by the Federal-State Inspection Service. The agreement also provides for the withholding of inferior grades and sizes when in the judgment of the control committee such action is necessary to improve returns to growers. The authority to limit shipments is subject to the approval of the Secretary of Agriculture, to be given prior to the shipping season. Any grower whose crop consists largely of the prohibited grades and sizes may, upon application, be allowed certain exemptions from such requirements.

The agreement provides for a control committee consisting of 3 shippers and 3 growers, and 1 member selected by the original 6. The 3 shipper members are to be elected by a general election of all shippers, the votes being based on volume. One grower member is selected from each district by a general election of all growers from that district. District 1 consists of Cameron County; District 2 of Hidalgo County; and District 3 includes the counties of Kennedy, Zapata, Brooks, Jim Hogg, Starr and Willacy.

# # #

#### CANNING ASPARAGUS AGREEMENT GIVEN TENTATIVE APPROVAL

A marketing agreement for canning asparagus grown in California has been given tentative approval by Secretary of Agriculture Henry A. Wallace, the Agricultural Adjustment Administration has announced. This agreement provides for correlation with the agreement for fresh asparagus, which received tentative approval February 23. It also would provide for the opening of the canning period, March 26 instead of April 1, which was the opening date last year. With these two exceptions, the agreement is similar to the license which was in successful operation last year.

The agreement provides for a control committee of 11 members, 5 to be elected by growers, 5 by canners, and 1, neither a grower nor a canner, to be selected by the other 10. One of the functions of the control committee would be to determine and announce the maximum number of cases of canned asparagus which might be packed by canners collectively during the season. This figure would be subject to review by the Secretary of Agriculture. It also would be







the duty of the committee to fix the day and hour by which the maximum authorized output could be packed. Cannors would be given at least 3 days notice to cease canning for the season on that date.

An exception to the opening date of March 26 would be made in the Imperial Valley area, where canning could start March 15. Due to warm weather prevailing in the Imperial Valley, asparagus grown in that area is not suitable for canning after April 1.

The provisions which link the canning-asparagus and fresh-asparagus agreements are designed to make a large proportion of the total production available for the fresh market up to April 15. From March 26 to March 31 cannors would be allowed to pack asparagus only from acreage in excess of the growers' fresh-asparagus prorate. Should there be no prorate, or a prorate of 75 percent or higher, asparagus would not be canned during the period. From April 1 to April 15 cannors would be allowed to pack asparagus from 50 percent of each grower's acreage and any asparagus from remaining acreage in excess of the prorate for fresh shipment.

Throughout the season the pack would be limited to three grades of asparagus: Number 1 White, Number 1 four-and-one-half inch, All Green, and Number 1 three-and-one-half inch, All Green.

# # #

#### PAPER SHELL PECAN MARKETING AGREEMENT APPROVED

A marketing agreement designed to improve returns to growers of paper shell pecans has been given final approval by Secretary of Agriculture Henry A. Wallace, the Agricultural Adjustment Administration has announced. The agreement includes provisions for minimum prices to producers, compulsory grading of pecans destined for distribution, and the collection of basic statistics by the control board set up under the agreement.

The Agreement became effective March 13, 1935, and will expire September 30, 1935, unless amended.

Under the agreement, paper shell pecans will be purchased from growers and sold to the trade on the basis of United States grades. Two schedules of minimum prices to producers are provided, one applicable to purchases of pecans which have been graded in accordance with the U. S. standards, and the other applicable to pecans ungraded at the time of original purchase. Specific minimum prices are provided for "Schleys" and for "other varieties", classified according to quality and size grades. The agreement provides that in the purchase of a lot of ungraded pecans of a given quality the minimum price for the various size grades shall be applied to the quantity of each size grade contained in the lot.

Adjustment Administration officials, commenting on the fact that the agreement applies only to the 1934 crop, most of which already has moved to market, said that the primary reason for putting the agreement into operation



at this time is to give the control board an opportunity to organize as an official body, so that it can compile necessary statistical data on the industry and prepare an amended agreement which will apply to the 1935 crop.

The control board consists of E. C. Butterfield, Texas; Walter Weaver, Alabama, and Harold McCord, Georgia, representing growers; William P. Bullard and Paul J. Brown, both of Georgia, representing cooperatives; and Ben Adler, Thad Huckabee and Slater Wright, all of Georgia, representing other distributors.

# # #

#### CITRUS SHIPPED CITED FOR ALLEGED VIOLATION OF LICENSE

Secretary of Agriculture Henry A. Wallace has signed an order directing E. V. Sprowl of Mission, Texas, to show cause why his license as a shipper of oranges and grapefruit grown in Texas should not be revoked or suspended, it is announced by the Agricultural Adjustment Administration.

The order applies to Sprowl both as an individual and as doing business as the Sprowl Fruit Co. It alleges that Sprowl has shipped unclassified grapefruit in interstate commerce in violation of the license for Texas citrus fruit, that he has made shipments of grapefruit in excess of quantities allotted him by the control committee of the industry, that he has failed to report such over-shipments as required under the license, and has shipped grapefruit without applying for or receiving an allotment.

Mr. Sprowl formerly was a member of the control committee of the marketing agreement for Texas citrus fruit. He was removed from the committee March 2 by order of the Secretary of Agriculture upon evidence of his having violated the terms of the agreement. The present show cause order requires him to file an answer on or before March 21, 1935.

# # #

#### ALLEGED VIOLATIONS OF RICE MILLERS' LICENSE

Orders to show cause why their licenses under the license for the Southern Rice Milling Industry should not be revoked or suspended have been issued by Secretary of Agriculture Henry A. Wallace against two Louisiana rice milling firms, it is announced by the Agricultural Adjustment Administration. Both firms are charged with violating the provisions of the license.

In orders against F. N. Vincent, trading as the Kaplan Rice Mill of Kaplan, La., and the Mermentau Rice Milling Co., Inc., the Secretary alleges, among other things, that these firms have violated the license by purchase of rough rice in units other than those of barrels or bushels, as required by the license; by payment of prices below the minimum specified in the license; by refusal to furnish the Secretary with reports as required by the license; and by refusal to pay assessments levied on millers under the license.



The orders, signed March 11, 1935, by Secretary Wallace, are answerable by March 25, 1935.

# # #

#### RESUME HEARING ON RICE CONVERSION CHARGES

The Agricultural Adjustment Administration has announced that a hearing on the question of a change in the conversion charge provided for by Sections 1, 2 and 3 of Article IV of the marketing agreement for the Southern Rice Milling Industry, as amended, will be resumed Wednesday, April 10, 1935, in Room 2050, South Building, Department of Agriculture, Washington, D. C. This hearing was convened on January 22, 1935, with G. J. Gifford of the Agricultural Adjustment Administration as presiding officer, but it was discontinued after a brief discussion.

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